



Highlights of [GAO-03-585](#), a report to the Chairman, Subcommittee on National Parks, Recreation, and Public Lands, Committee on Resources, House of Representatives

Why GAO Did This Study

Two types of nonprofit organizations, cooperating associations and friends groups, provide substantial support to the national parks. GAO was asked to report on (1) the number of park units supported by nonprofits and the amount of their contributions, (2) the revenue-generating activities of nonprofits and how they compete with park concessioners, (3) factors that contribute to competition between nonprofits and for-profit concessioners, and (4) how park managers are held accountable for meeting goals for nonprofit financial support.

What GAO Recommends

GAO recommends that the National Park Service (1) require that parks offering commercial sales and services develop Commercial Services Plans, (2) ensure that Commercial Services Plans (a) explain the roles of concessioners and nonprofits in providing visitor services and (b) provide rationale for decisions specifying that nonprofits will provide new visitor services, (3) develop and maintain an accurate list of nonprofit groups serving the parks, and (4) require nonprofits to report key financial information.

The Association of Partners For Public Lands, representing nonprofits, and the National Park Hospitality Association, representing concessioners, agreed with GAO's recommendations. The Department of the Interior did not provide comments on this report.

www.gao.gov/cgi-bin/getrpt?GAO-03-585.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Barry T. Hill at (202) 512-9775 or hillbt@gao.gov.

PARK SERVICE

Agency Needs to Better Manage the Increasing Role of Nonprofit Partners

What GAO Found

Cooperating associations and friends groups help support 347 (90 percent) of our national parks. Their contributions totaled over \$200 million from 1997-2001 and were an important supplement to federal appropriations. These organizations also have additional assets totaling about \$200 million, which could become available for future donation to the parks (see table).

The primary revenue-generating activities of cooperating associations are selling educational materials in park bookstores and providing educational services to park visitors. In contrast, friends groups generally rely on donations and membership dues to generate revenue. Accordingly, only cooperating associations directly compete with concessioners or other local for-profit businesses. In some parks, the sales and services provided by cooperating associations have caused conflicts between park management, the associations, and concessioners.

There are three major factors that contribute to conflicts between associations and concessioners: (1) Park Service policies encourage an expanding reliance on nonprofit organizations; (2) the broad discretion local park managers have in deciding the role and scope of association activities has permitted expanded sales and service activities by cooperating associations; and (3) the agency has a financial incentive to use cooperating associations because they provide a higher return on sales revenue. To minimize conflicts and better ensure that park managers consistently apply agency policies in making decisions about whether and how to use cooperating associations and concessioners, Park Service guidelines call for individual park managers to develop "Commercial Services Plans." However, these plans are rarely developed or used.

In addition, even though one of the agency's key goals is to increase its reliance on partnerships with nonprofit organizations, the Park Service does not have a process for holding local park managers accountable for meeting contribution goals.

Cooperating Associations' and Friends Groups' Contributions by Fiscal Year

| Dollars in millions | | | |
|---------------------|--------------------------|----------------|----------------|
| Year | Cooperating associations | Friends groups | Total |
| 1997 | \$19.0 | \$7.7 | \$26.7 |
| 1998 | 22.6 | 15.0 | 37.5 |
| 1999 | 30.8 | 13.7 | 44.5 |
| 2000 | 35.8 | 16.9 | 52.7 |
| 2001 | 30.1 | 17.3 | 47.4 |
| Total | \$138.3 | \$70.6 | \$208.8 |

Source: National Park Service, GAO, Urban Institute, and Guidestar. com. Web site (Philanthropic Research, Inc.).

Notes: Totals may not add due to rounding. Friends group figures represent the two-thirds of groups that responded to a GAO survey, including all groups with revenues over \$25,000.